

STATE OF NEW MEXICO)
COUNTY OF VALENCIA) ss.
VILLAGE OF LOS LUNAS)

The Board of Trustees of the Village of Los Lunas, New Mexico, met in regular session in full conformity with law and the rules and regulations of the Village at Los Lunas Municipal Center, 660 Main Street NW, Los Lunas, New Mexico, being the regular meeting place of the Board, on the 30th day of January, 2003, at the hour of 6:00 p.m. Upon roll call, the following members were found to be present:

Louis F. Huning, Mayor

Cecilia Castillo

Charles Griego

Gerard Saiz

Robert Vialpando

Absent:

Also Present:

Phillip Jaramillo, Village Administrator

Thereupon, there was officially filed with the Village Administrator, the Mayor and each Trustee a copy of a proposed bond ordinance in final form. Mayor Huning thereupon introduced the following ordinance:

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

Section 1.	Definitions.....	3
Section 2.	Ratification.....	9
Section 3.	Authorization of Refunding Project.....	9
Section 4.	Findings.....	9
Section 5.	Bonds - Authorization and Detail	10
	A. Authorization	10
	B. Details of Bonds	10
Section 6.	Prior Redemption	11
	A. Optional Redemption	11
	B. Mandatory Sinking Fund Redemption	11
	C. Notice	11
Section 7.	Filing of Signatures	11
Section 8.	Execution and Authentication of Bonds	12
	A. Execution	12
	B. Authentication	12
Section 9.	Negotiability	12
Section 10.	Payment and Presentation of Bonds for Payment.....	12
Section 11.	Registration, Transfer, Exchange and Ownership of Bonds.....	13
	A. Registration, Transfer and Exchange	13
	B. Limitations	13
	C. Owner of the Bonds.....	13
	D. Lost Bonds	13
	E. Additional Bonds.....	14
	F. Charges	14
	G. Successor Registrar or Paying Agent.....	14
	H. Book Entry	14
Section 12.	Special Limited Obligations	15
Section 13.	Form of Bonds	15
Section 14.	Purchaser Not Responsible for Application of Funds.....	15
Section 15.	Disposition of Proceeds, Completion of Refunding Project.....	15
	A. Accrued Interest and Premium.....	16
	B. Reserve Fund.....	16
	C. Refunding Project.....	16
	D. Expenses.....	16
	E. Construction Fund	16
Section 16.	Funds and Accounts.....	16
	A. Income Fund	16
	B. Debt Service Fund.....	16
	C. Reserve Fund.....	17
Section 17.	Deposit of Pledged Revenues; Flow of Funds.....	17
	A. Deposit of Revenues	17
	B. Debt Service Fund	17
	C. Credit.....	17

TABLE OF CONTENTS

	<u>Page</u>
D. Transfer of Money out of Debt Service Fund	17
E. Payment of Additional Parity Obligations	17
F. Reserve Fund	17
G. Defraying Delinquencies in the Debt Service Fund and Reserve Fund.....	18
H. Payment of Subordinate Obligations	18
I. Termination Upon Deposits to Maturity	18
J. Use of Surplus Revenues.....	19
Section 18. General Administration of Funds.....	19
A. Places and Times of Deposits	19
B. Investment of Moneys	19
Section 19. Lien on Pledged Revenues.....	19
Section 20. Bonds or Other Obligations Payable From Pledged Revenues	20
A. Limitations Upon issuance of Parity Obligations	20
B. Subordinate Obligations Permitted	20
C. Superior Obligations Prohibited.....	20
Section 21. Refunding Bonds Payable from Pledged Revenues.....	20
A. Privilege of Issuing Refunding Obligations.....	21
B. Limitations Upon Issuance of Parity Refunding Obligations	21
C. Refunding Part of an Issue	21
D. Limitations Upon Issuance of Refunding Obligations.....	21
Section 22. Escrow Funds.....	22
A. 1993 Escrow Fund	22
B. 1995 Escrow Fund.....	22
C. <u>Contingency</u>	23
Section 23. Sale Resolution	23
Section 24. Equality of the Bonds.....	23
Section 25. Protective Covenants	23
A. Use of Bond Proceeds	23
B. Payment of Bonds Herein Authorized	23
C. Village's Existence	23
D. Prohibition of any Extension of Interest Payments.....	24
E. Records for Pledged Revenues.....	24
F. Audits.....	24
G. Other Liens on Pledged Revenues	24
H. Duty to Impose Municipal Infrastructure Gross Receipts Tax	24
I. Impairment of Contract	24
J. Tax Covenants.....	24
K. Performing Duties	25
L. Continuing Disclosure Obligations	25
Section 26. [Reserved]	25
Section 27. Events of Default	25
A. Nonpayment of Principal	25
B. Nonpayment of Interest.....	25
C. Incapable to Perform	25
D. Default of any Provision	26

TABLE OF CONTENTS

	<u>Page</u>
E. Bankruptcy	26
Section 28. Remedies Upon Default.....	26
Section 29. Duties Upon Default	26
Section 30. Bonds Not Presented When Due.....	26
Section 31. Amendment of Bond Ordinance	27
Section 32. Defeasance	27
Section 33. Approval of Documents and Delegated Powers	28
Section 34. Limitation of Action Period	28
Section 35. Ordinance Irrepealable.....	28
Section 36. Severability Clause	28
Section 37. Repealer Clause	28
Section 38. Effective Date	28
Section 39. Notices of Prior Redemption	29
A. 1993 Bonds	29
B. 1995 Bonds.....	29
<u>C. Contingency</u>	29
Section 40. General Summary for Publication	29
<u>Section 41. Contingency for Non-refunding of the 1993 Bonds or the 1995 Bonds</u>	30

ORDINANCE NO. 298

AUTHORIZING THE ISSUANCE AND SALE OF THE VILLAGE OF LOS LUNAS, NEW MEXICO GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 2003, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ~~\$5,000,000~~ \$5,500,000 FOR THE PURPOSE OF REFUNDING AND PAYING (1) THE VILLAGE OF LOS LUNAS, NEW MEXICO GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 1993; ~~AND~~ AND/OR (2) THE VILLAGE OF LOS LUNAS, NEW MEXICO INFRASTRUCTURE FUND GROSS RECEIPTS TAX REVENUE BONDS, SERIES 1995; PROVIDING FOR THE ISSUANCE AND SALE OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS SOLELY FROM GROSS RECEIPTS TAX REVENUES RECEIVED BY THE VILLAGE FROM THE STATE OF NEW MEXICO AND FROM A PORTION OF THE MUNICIPAL GROSS RECEIPTS TAX REVENUES IMPOSED BY THE VILLAGE; PROVIDING FOR THE PAYMENT OF THE BONDS ON A PARITY WITH THE VILLAGE'S GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2003; PROVIDING FOR THE FORM, TERMS, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS AND THE FUNDS APPERTAINING THERETO; PROVIDING FOR THE APPROVAL, EXECUTION AND DELIVERY OF COVENANTS AND AGREEMENTS IN CONNECTION WITH THE BONDS INCLUDING, BUT NOT LIMITED TO, A BOND PURCHASE AGREEMENT AND AN ESCROW AGREEMENT, AND AUTHORIZING THE DETERMINATION OF INTEREST RATES, REDEMPTION PROVISIONS AND OTHER DETAILS OF THE BONDS (INCLUDING TERMS OF BOND INSURANCE, IF ANY) ALL PURSUANT TO A SUBSEQUENT SALE RESOLUTION; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

Capitalized terms used in the following preambles have the same meaning as defined in Section 1 of this Ordinance unless the context requires otherwise.

WHEREAS, the Village is a legally and regularly created, established, organized and existing municipal corporation under the general laws of the State of New Mexico; and

WHEREAS, the Village issued its Gross Receipts Tax Refunding Revenue Bonds, Series 1993 (the "1993 Bonds") in the original principal amount of \$6,285,000, of which \$4,060,000 is currently outstanding; and

WHEREAS, the Village issued its Infrastructure Fund Gross Receipts Tax Revenue Bonds, Series 1995 (the "1995 Bonds") in the original principal amount of \$1,200,000, of which \$825,000 is currently outstanding; and

WHEREAS, subject to confirmation pursuant to the Sale Resolution, the Board has determined to pay all principal of, interest on and applicable prior redemption premium due, as

applicable, in connection with all of the outstanding 1993 Bonds and 1995 Bonds as the same become due until and on their respective first-occurring optional prior redemption dates set forth herein, from the proceeds of the Bonds herein authorized and from other legally available sources; and

WHEREAS, subject to confirmation pursuant to the Sale Resolution, the Board hereby determines that the issuance of the Bonds, under current market conditions, for the purpose of refunding and paying the 1993 Bonds and the 1995 Bonds until and on their first-occurring optional prior redemption dates set forth herein will provide financial benefits to the Village, and consequently will provide for the public health, safety and welfare of the Village and its citizens; and

WHEREAS, the Village will issue the Bonds only after receipt of the required approval of the Bonds by the Department of Finance and Administration of the State of New Mexico; and

WHEREAS, the Pledged Revenues are not pledged to the payment of any bonds or other obligations that are presently outstanding and unpaid except for the 1993 Bonds; and

WHEREAS, the Board has determined and hereby determines to issue the Bonds to defray the costs of the Refunding Project; and

WHEREAS, the initial principal amount of the Bonds, the specific interest rate or rates to be borne by the Bonds, any discount or premium, the principal maturities, redemption provisions, forms and other details pertaining to the Bonds, bond insurance provisions, and the final forms of the Village Documents shall be subject to determination, ratification, confirmation and approval by the Board pursuant to the Sale Resolution; and

WHEREAS, the Board has determined and hereby determines that it is in the best interests of the Village and its residents that the Bonds be issued with a first lien, but not an exclusive first lien, on the Pledged Revenues on a parity with the lien thereon of the Series 2003 Improvement Bonds and future Parity Obligations; and

WHEREAS, U.S. Bancorp Piper Jaffray, Inc. has offered to purchase the Bonds for cash at a negotiated sale, pursuant to the terms of the Bond Purchase Agreement; and

WHEREAS, all required authorizations, consents or approvals of any state, governmental body, agency or authority, in connection with the authorization, execution and delivery of the Bonds that are required to have been obtained by the date hereof have been obtained and that will be required to be obtained prior to the date of issuance of the Bonds will have been obtained by such date; and

WHEREAS, the Board has determined and hereby determines, subject to the provisions of the Sale Resolution, that it is in the best interest of the Village that a Bond Insurance Policy be acquired from a Bond Insurer to enhance the marketability of the Bonds, thereby resulting in lower net debt service payments on the Bonds; and

WHEREAS, subject to the terms and conditions of the Sale Resolution, the Board has determined that it is in the best interest of the Village to accept the offer of the Purchaser for the purchase of the Bonds and to authorize the Purchaser to continue with the preparation of the Official Statement for sale of the Bonds to the public.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE VILLAGE OF LOS LUNAS:

Section 1. Definitions. As used in this Ordinance, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Act" means the general laws of the State, including Sections 3-31-1 through 3-31-12 NMSA 1978 and Sections 7-19D-1 through 7-19D-9 NMSA 1978, the Tax Ordinances and all enactments of the Board relating to the issuance of the Bonds, including this Ordinance.

"Board" means the Village Board of Trustees, the governing body of the Village of Los Lunas.

"Bond Insurance Policy" or "Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Bond Insurer" or "Insurer" means the bond insurer, if any, identified in the Sale Resolution.

"Bond Legislation" means this Ordinance and the Sale Resolution, collectively.

"Bond Purchase Agreement" means the bond purchase agreement to be entered into between the Village and the Purchaser in substantially the form presented at the meeting of the Board at which the Sale Resolution is adopted.

"Bondholder," "holder," "owner" or "Owner" means the registered owner of any Bond as shown on the registration books of the Village for the Bonds, from time to time, maintained by the Registrar. Any reference to a majority or a particular percentage or proportion of the Bondholders shall mean the holders at the particular time of a majority or of the specified percentage or proportion in aggregate principal amount of all Bonds then outstanding.

"Bonds" means the "Village of Los Lunas, New Mexico Gross Receipts Tax Refunding Revenue Bonds, Series 2003," authorized by this Ordinance.

"Business Day" means a day on which commercial banks in the city in which the principal office of the Paying Agent and Registrar is located are open for conduct of substantially all of their business operations.

“Closing Date” means the original date of issuance of the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations whether proposed, temporary or final, including regulations issued and proposed pursuant to the statutory predecessor of the Code, and, in addition, all official rulings and judicial determinations applicable to the Bonds, and under the statutory predecessor of the Code and any successor provisions to those sections or regulations.

"Continuing Disclosure Undertaking" means the Continuing Disclosure Undertaking with respect to the Bonds to be executed on the day of issuance and delivery of the Bonds to the Purchaser.

"Debt Service Fund" means the "Village of Los Lunas Gross Receipts Tax Refunding Revenue Bonds, Series 2003, Debt Service Fund" created in Section 16 of this Ordinance.

“Depository” means The Depository Trust Corporation, or such other depository as may be designated in the Sale Resolution, and any successor depository.

“Escrow Agent” means the entity designated in the Sale Resolution as the escrow agent for payment of the Refunded Bonds in accordance with the terms of the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of April 1, 2003 between the Village and the Escrow Agent relating to the use of separate escrow funds for the payment of the Refunded Bonds.

"Event of default" means any of the events stated in Section 27 of this Ordinance.

"Expenses" means the reasonable and necessary fees, costs and expenses incurred by the Village with respect to the issuance of the Bonds, including the premiums, fees, compensation, costs and expenses paid or to be paid to the Bond Insurer, Paying Agent, Registrar, Purchaser, and attorneys' fees, rating agency fees, printing expenses and travel expenses.

"Fiscal Year" means the period commencing on July 1 in each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Village as its fiscal year.

"Herein," "hereby," "hereunder," "hereof," "hereinabove" and "hereafter" refer to this entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

"Independent Accountant” means (i) an accountant employed by the State of New Mexico and under the supervision of the State Auditor of the State of New Mexico, or (ii) any

certified public accountant, registered accountant, or firm of such accountants duly licensed to practice and practicing as such under the laws of the State of New Mexico, appointed and paid by the Village who (a) is, in fact, independent and not under the domination of the Village, (b) does not have any substantial interest, direct or indirect, with the Village, and (c) is not connected with the Village as an officer or employee of the Village, but who may be regularly retained to make annual or similar audits of the books or records of the Village.

"Income Fund" means the "Village of Los Lunas Gross Receipts Tax Income Fund" continued in Section 16 of this Ordinance.

"Insured Bank" means a bank or savings and loan association insured by an agency of the United States.

"Interest Payment Date" means October 1, 2003, and each April 1 and October 1 thereafter until the final maturity date of the Bonds.

"Mayor" means the Mayor of the Village, or if the form of government of the Village is changed, the presiding officer of the Village no matter how such officer may be designated.

"NMSA 1978" means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

"1993 Bonds" means the Village's Gross Receipts Tax Refunding Revenue Bonds, Series 1993, originally issued in the aggregate principal amount of \$6,285,000, pursuant to the 1993 Ordinance, secured by a pledge of a portion of the Pledged Revenues and now outstanding in the aggregate principal amount of \$4,060,000.

"1993 Debt Service Fund" means the debt service fund for the 1993 Bonds, established pursuant to Section 16(B) of the 1993 Ordinance.

"1993 Escrow Fund" means the "Village of Los Lunas Gross Receipts Tax Refunding Revenue Bonds, Series 1993, Escrow Fund" created in Section 22 hereof.

"1993 Ordinance" means Village of Los Lunas Ordinance No. 194, which authorized the issuance of the 1993 Bonds.

"1993 Paying Agent" means Wells Fargo Bank New Mexico, N.A., Denver, Colorado, as the current Registrar, Trust Depository and Paying Agent for the 1993 Bonds.

"1993 Refunded Bond Requirements" means the principal of and interest due in connection with the redemption of all outstanding 1993 Bonds on the first-occurring optional prior redemption date of the 1993 Bonds on July 1, 2003.

"1995 Bonds" means the Village's Infrastructure Fund Gross Receipts Tax Revenue Bonds, Series 1995, originally issued in the aggregate principal amount of \$1,200,000,

pursuant to the 1995 Ordinance, secured by a pledge of a portion of the Village's municipal infrastructure gross receipts tax, and now outstanding in the aggregate principal amount of \$825,000.

"1995 Debt Service Fund" means the debt service fund for the 1995 Bonds, established pursuant to Section 14(B) of the 1995 Ordinance.

"1995 Escrow Fund" means the "Village of Los Lunas Infrastructure Fund Gross Receipts Tax Revenue Bonds, Series 1995, Escrow Fund" created in Section 22 hereof.

"1995 Ordinance" means Village of Los Lunas Ordinance No. 229, which authorized the issuance of the 1995 Bonds.

"1995 Refunded Bond Requirements" means the principal of, redemption premium, as applicable, and interest due until and in connection with the redemption of all outstanding 1995 ~~Refunded~~ Bonds on the first-occurring optional prior redemption date of the 1995 Bonds on July 1, 2005.

"Official Statement" means the final disclosure document to be used by the Purchaser in connection with the sale of the Bonds.

"Ordinance" means this Village of Los Lunas Ordinance No. 298, as amended or supplemented from time to time.

"Outstanding" or "outstanding" when used in reference to bonds means, on any particular date, the aggregate of all Bonds delivered under this Ordinance except:

A. those cancelled at or prior to such date or delivered or acquired by the Village at or prior to such date for cancellation;

B. those otherwise deemed to be paid in accordance with Section 30 or Section 32 of this Ordinance;

C. those in lieu of or in exchange or substitution for which other Bonds shall have been delivered, unless proof satisfactory to the Village and the Paying Agent is presented that any Bond for which a new Bond was issued or exchanged is held by a bona fide holder or in due course; and

D. those Bonds or bonds which have been refunded in accordance with this Ordinance or other ordinance of the Village authorizing the issuance of the applicable bonds.

"Parity Obligations" mean the Bonds, and any other bonds and other obligations, now or hereafter issued or incurred, payable from or secured by a lien or a pledge of the Pledged Revenues on a parity with the lien thereon of the Bonds.

"Paying Agent" means the trust company, national or state banking association or financial institution appointed in the Sale Resolution as agent for the Village for the payment of the Bonds, or any successor trust company, national or state banking association or financial institution at the time appointed as Paying Agent by the Village.

"Paying Agent Agreement" means the Paying Agent Agreement dated as of April 1, 2003 between the Paying Agent and the Village, pertaining to the functions of Registrar and Paying Agent for the Bonds, and any successor agreement or agreements.

"Permitted Investments" means, in addition to the "Permitted Investments" identified in the Sale Resolution that shall be allowed during the period that a Bond Insurance Policy is in force, any of the following to the extent that, at the time the investment is made, it is an investment that is authorized by the law of the State for public money of the Village: (i) bonds or negotiable securities of the United States or the State, (ii) bonds or negotiable securities of any county, municipality or school district that has a taxable valuation of real property for the last preceding year of at least one million dollars and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding the time of investment, (iii) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government, (iv) money market accounts that invest solely in direct obligations of the United States Treasury that have maturities of one year or less and are rated in the highest rating category by any nationally recognized rating agency, (v) certificates of deposit of banks (including the Depository), savings and loan associations or credit unions certified or designated to receive public money on deposit and whose deposits are insured by an agency of the United States, and (vi) the State Treasurer's short-term investment fund created pursuant to Section 6-10-10.1 NMSA 1978, and operated, maintained and invested by the State Treasurer.

"Pledged Revenues" means the revenues derived from the gross receipts tax imposed by (1) the State on all persons engaging in business in New Mexico levied pursuant to Section 7-9-4 NMSA 1978, that (a) are distributed monthly by the Revenue Division of the Taxation and Revenue Department of the State to the Village as authorized by Sections 7-1-6.1 and 7-1-6.4 NMSA 1978, and (b) which distributions are to equal the product of (i) the quotient of 1.225% divided by the New Mexico gross receipts tax rate imposed by Section 7-9-4 NMSA 1978, and (ii) such gross receipts taxes paid by taxpayers to the Revenue Division attributable to business locations within the municipal boundaries of the Village and on land outside those boundaries owned by the Village, for the month for which the distribution is made, and after any disbursements for tax audits, refunds, payments of interest and administrative costs and fees; and (2) the Village on all persons engaging in business in the Village pursuant to Sections 7-1-6.1 and 7-1-6.12 NMSA 1978, and Section 7-19D-9 NMSA 1978, and the Tax Ordinances, in the total amount of 1.25% of the gross receipts of a person engaging in business in the Village, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, and after any disbursements for tax credits, refunds, payments of interest and administrative costs and fees; provided that the Village is not pledging and the term "Pledged Revenues" does not include

any gross receipts tax income received pursuant to any other statutes or ordinances, or any amounts derived from sources other than as described above.

"Preliminary Official Statement" means the preliminary disclosure document to be used by the Purchaser in connection with the sale of the Bonds.

"Purchaser" means U.S. Bancorp Piper Jaffray, Inc.

"Refunded Bond Requirements" means the 1993 Refunded Bond Requirements and the 1995 Refunded Bond Requirements.

"Refunded Bonds" means the 1993 Bonds maturing on and after July 1, 2003, outstanding in the aggregate principal amount of \$4,060,000, and the 1995 Bonds maturing on and after July 1, 2003, outstanding in the aggregate principal amount of \$825,000.

"Refunding Project" means refunding the Refunded Bonds with the proceeds of the Bonds, including without limitation paying the cost of purchasing escrow securities for deposit with the Escrow Agent under the terms of the Escrow Agreement, and the payment of administrative and incidental costs pertaining to the foregoing and the issuance of the Bonds and to the payment and discharge of the Refunded Bonds.

"Reserve Requirement" means an amount equal to (a) the least of (i) ten percent (10%) of the proceeds of the Bonds as the term "proceeds" is used in Section 148(d)(1) of the Code, (ii) the maximum annual debt service on the Bonds, or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds, or (b) such lesser amount (including zero) from time to time as may be provided in the Sale Resolution.

"Registrar" means the trust company, national or state banking association or financial institution appointed in the Sale Resolution as agent for the Village for transfer and exchange of the Bonds, or any successor trust company, national or state banking association or financial institution at the time appointed as Registrar by the Village.

"Reserve Fund" means the "Village of Los Lunas Gross Receipts Tax Refunding Revenue Bonds, Series 2003, Reserve Fund" established by Section 16 of this Ordinance.

"Sale Resolution" means a resolution of the Board, to be adopted subsequent to the adoption of this Ordinance and prior to the issuance of the Bonds, which shall determine certain details pertaining to the Bonds and the delivery thereof.

"Series 2003 Improvement Bonds" means the Village of Los Lunas, New Mexico Gross Receipts Tax Improvement Revenue Bonds, Series 2003.

"Surety Bond" means a surety bond, letter of credit, insurance policy or other funding instrument issued to the Village, the proceeds of which shall be used to prevent deficiencies in the payment of the principal and interest on the Bonds resulting from insufficient funds being on deposit in the Debt Service Fund to make the payments of principal of and

interest on the Bonds as the same become due. Each Surety Bond shall be issued by a bank, insurance company or any financial institution experienced in insuring or guaranteeing municipal bonds whose policies of insurance, surety bonds, letters of credit or other financial instruments would not adversely affect the rating for the Bonds to the extent that the Bonds are or are so to be rated, and provided that at the time of the issuance of the Surety Bond, such bank, insurance company or financial institution shall have received the highest policy claims rating accorded insurers by the A.M. Best Company or any comparable service, if applicable.

"State" means the State of New Mexico.

"Tax Ordinances" means the following ordinances of the Village: (i) Ordinance No. 115, (ii) Ordinance No. 138, and (iii) Ordinance No. 137, as amended by Ordinance No. 137-A, and as further amended by Section 22 of this Ordinance, which collectively have enacted the total current municipal gross receipts tax of 1.25%.

"Village" means the Village of Los Lunas, in the County of Valencia and State of New Mexico.

"Village Administrator" means the Administrator of the Village, or if the form of government of the Village is changed, the officer of the Village who exercises the function of the municipal clerk or the municipal treasurer, as the case may be.

"Village Documents" means, collectively, the Bond Purchase Agreement, the Escrow Agreement, the Paying Agent Agreement, the Official Statement and the Continuing Disclosure Undertaking.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Board and the officers of the Village, directed toward the Refunding Project, the issuance of the Bonds for the Refunding Project and the sale of the Bonds to the Purchaser is ratified, approved and confirmed.

Section 3. Authorization of Refunding Project. The Refunding Project is hereby authorized and ordered at a total cost not to exceed \$5,000,000 \$5,500,000, excluding any cost defrayed or to be defrayed from any source other than the Bond proceeds. Notwithstanding anything to the contrary in this Ordinance, the Sale Resolution may direct the refunding of only one of the 1993 Bonds or the 1995 Bonds, or neither such series, if the Board finds in such resolution that the market conditions at the time of the adoption of the Sale Resolution make a refunding financially disadvantageous.

Section 4. Findings. The Board hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. It is in the best interest of the Village and its residents to undertake the Refunding Project.

B. Moneys available for the Refunding Project from all sources other than the issuance of revenue bonds are not sufficient to defray the cost of the Refunding Project.

C. The issuance by the Village of the Bonds to provide funds for the Refunding Project is necessary under the Act and in the interest of the public health, safety, morals and welfare of the residents of the Village.

D. The Pledged Revenues may lawfully be pledged to secure the payment and redemption of the Bonds.

E. It is economically feasible to defray the cost of the Refunding Project by the issuance of the Bonds.

Section 5. Bonds - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least three-fourths of all of the members of the Board. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the citizens of the Village and financing the Refunding Project, it is hereby declared necessary that the Village, pursuant to the Act, issue its negotiable, fully registered, revenue bonds to be designated "Village of Los Lunas, New Mexico Gross Receipts Tax Refunding Revenue Bonds, Series 2003, in an aggregate principal amount not to exceed ~~\$5,000,000~~ \$5,500,000, and the issuance, sale and delivery of the Bonds is hereby authorized, subject to the provisions of the Sale Resolution, none of which provisions shall be inconsistent with the provisions of this Ordinance. The Bonds shall be sold to the Purchaser pursuant to the Bond Purchase Agreement at a negotiated sale, subject to the terms and conditions of the Sale Resolution.

B. Details of Bonds.

1. The Bonds shall be issued in an original aggregate principal amount to be specified in the Sale Resolution, but not to exceed ~~\$5,000,000~~ \$5,500,000. The Bonds shall be in the forms, with such appropriate variations, omissions and insertions, as are permitted or required by the Bond Legislation.

2. The Bonds shall be negotiable instruments but shall be issued only as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof, in such numbers and denominations as may be requested by the Purchaser, but exchangeable for other fully registered Bonds of any denominations that are multiples of \$5,000. The Bonds shall be numbered separately and consecutively and shall be dated April 1, 2003. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date, payable semiannually on April 1 and October 1 in each year commencing on October 1, 2003, and shall bear interest at the rates and mature on April 1 of each year in the amounts provided in the Sale Resolution, provided that no interest rate on the Bonds shall exceed six percent, and the final maturity shall not be later than April 1, 2012.

3. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each.

Section 6. Prior Redemption.

A. Optional Redemption. The Bonds shall be subject to optional redemption, in whole or in part, and including redemption premiums, if any, as provided in the Sale Resolution. If the Bonds are optionally redeemed in part, the Bonds to be so redeemed shall be selected by lot by the Registrar in such manner as the Registrar shall consider appropriate and fair. The Registrar shall not be required to give notice of any optional redemption unless the Registrar has received written instructions from the Village in regard thereto, at least 45 days prior to such redemption date unless waived by the Registrar.

B. Mandatory Sinking Fund Redemption. Some or all of the Bonds may be subject to sinking fund redemption, as provided in the Sale Resolution.

C. Notice. Notice of redemption shall be given by the Registrar by sending a copy of such notice by registered or certified first-class, postage prepaid mail at least 30 days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. Any Bonds to be redeemed pursuant to the mandatory sinking fund redemption provisions of the Sale Resolution shall be called for redemption by the Registrar without the necessity of any notice to the Registrar from the Village, after selection of the Bonds to be redeemed by lot in such manner as the Registrar shall consider appropriate and fair. Neither the Village's failure to give such notice nor the Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bonds to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed, including any premium, plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent by the Village.

Section 7. Filing of Signatures. Prior to the execution of any Bond pursuant to Sections 6-9-1 through 6-9-6 NMSA 1978, as amended, the Mayor and Village Clerk shall each file with the New Mexico Secretary of State his or her manual signature certified by him or her

under oath; provided that filing shall not be necessary for any officer where any previous filing may have legal application to the Bonds.

Section 8. Execution and Authentication of Bonds.

A. Execution. The Bonds shall be signed with the engraved, imprinted, stamped or otherwise reproduced facsimile of the signature, or the manual signature, of the Mayor and the Village Administrator. There shall be affixed to each Bond the printed, engraved, stamped or otherwise placed facsimile of, or imprint of, the Village's corporate seal. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar. The Bonds when authenticated and bearing the manual or facsimile signatures of the officers in office at the time of signing thereof shall be valid and binding special obligations of the Village, notwithstanding that before delivery thereof and payment therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Mayor and the Village Administrator, at the time of the execution of the Bonds and the signature certificate, each may adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds or certificates pertaining to the Bonds.

B. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been fully executed if manually signed and inscribed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 9. Negotiability. The Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Bondholders shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. Except as set forth herein, the Bonds outstanding shall in all respects be equally and ratably secured, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds.

Section 10. Payment and Presentation of Bonds for Payment. Principal and interest on the Bonds shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. Principal on each Bond shall be payable in immediately available funds at maturity or redemption thereof upon presentation and surrender of such Bond at the principal office of the Paying Agent or at the designated office of any successor Paying Agent. Interest on the Bonds shall be payable by check or draft mailed to the registered owner thereof (or in such other manner as may be agreed upon by the Paying Agent and the registered owner), as shown on the registration books maintained by the Registrar at the address appearing therein on the fifteenth calendar day of the month next preceding the interest payment date (the "Record Date"). Any interest which is not timely paid or provided for shall cease to be payable to the owner thereof (or of one or more predecessor Bonds) as of the Record Date, but shall be payable to the owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue

interest, and notice of the special record date shall be given to Bond owners not less than ten days prior thereto. If any Bond presented for payment remains unpaid at maturity or redemption, it shall continue to bear interest at the rate or rates designated in, and applicable to, such Bond from time to time. If any Bond is not presented for payment at maturity or redemption when funds available therefor have been deposited with the Paying Agent, it shall cease bearing interest on and from the date of maturity or redemption.

Section 11. Registration, Transfer, Exchange and Ownership of Bonds.

A. Registration, Transfer and Exchange. The Village shall cause books for registration, transfer, and exchange of the Bonds as provided herein to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of any fully registered Bond at the principal office of the Registrar duly endorsed by the registered owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate and deliver, not more than three business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds in authorized denominations, in fully registered form of the same aggregate principal amount, maturity and interest rate.

B. Limitations. The Registrar shall not be required to transfer or exchange any Bond (i) during the period of fifteen days next preceding the mailing of notice calling any Bonds for prior redemption as herein provided, or (ii) after the mailing to registered owners of notice calling such Bonds or portion thereof for prior redemption as herein provided. The Registrar shall close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each interest payment date, but such transfers shall not include a transfer of accrued interest payable.

C. Owner of the Bonds. The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either the principal or interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative as stated herein, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. Lost Bonds. If any Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same series, maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If any such lost, stolen, destroyed or mutilated Bond shall have matured or has been called for redemption, the Registrar may request the Paying Agent to pay such Bond in lieu of replacement.

E. Additional Bonds. Executed but unauthenticated Bonds are hereby authorized to be delivered to the Registrar in such quantities as may be convenient to be held in custody by the Registrar pending delivery as herein provided.

F. Charges. Transfers or exchanges shall be without charge to the owner, but the Registrar may make a charge to the owner of the Bond requesting such transfer or exchange sufficient to pay or to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

G. Successor Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign or is prohibited by law from continuing as Registrar or Paying Agent, or if the Village shall reasonably determine that said Registrar or Paying Agent has become incapable of fulfilling its duties hereunder, the Village may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$50,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the Village shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

H. Book Entry. The Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of Bond certificates made to the public, with a Depository acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the Depository (or an authorized agent of the Depository) and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the Depository and its participants ("Participants"). As a condition to delivery of the Bonds in book-entry form, the Purchaser will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the Depository (or an authorized agent thereof), registered in the name of the Depository or its nominee. Principal, premium, if any, and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the Depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The Village will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, Participants or Indirect Participants.

If (i) the Bonds are not eligible for the services of the Depository, (ii) the Depository determines to discontinue providing its services with respect to the Bonds or (iii) the Village determines that a continuation of the system of book-entry transfers through the Depository ceases to be beneficial to the Village or the Beneficial Owners, the Village will either identify another Depository and cause the Bond certificates to be transferred to that other Depository, or certificates for the Bonds will be delivered to the Beneficial Owners or their

nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the Village shall mail an appropriate notice to the Depository for notification to Participants, Indirect Participants and Beneficial Owners of the substitute Depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

Officers of the Village are authorized to sign agreements with the Depository relating to the matters set forth in this Section.

Notwithstanding any other provision of the Bond Legislation, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Paying Agent, Registrar or the Village to the Depository as provided in the Bond Legislation and by the Depository to its Participants or Indirect Participants and notices to the Beneficial Owners of the Bonds in the manner provided in an agreement or letter of the Village to the Depository.

Section 12. Special Limited Obligations. All of the Bonds and all payments of principal, premium, if any, and interest thereon, together with any interest accruing thereon, whether at maturity or a redemption date, shall be special limited obligations of the Village and shall be payable and collectible solely from the Pledged Revenues, which revenues are so pledged and are payable as set forth in Sections 17 and 19 of this Ordinance. The owner or owners of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt of the Village within the meaning of any constitutional, charter or statutory provision or limitation, nor shall they be considered or held to be general obligations of the Village, and each of the Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as set forth in this Ordinance, and that the holders thereof may not look to any general or other municipal fund for the payment of the principal of and interest on the Bonds. Nothing contained in the Bond Legislation or the Village Documents shall be construed as a pecuniary obligation of the Village (except with respect to the application of the proceeds of the Bonds and the Pledged Revenues, all as provided herein). Nothing herein shall prevent the Village from applying other funds of the Village legally available therefor to the payment of the Bonds, in its sole discretion.

Section 13. Form of Bonds. The form, terms and provisions of the Bonds shall be substantially in the form provided in the Sale Resolution, with such changes therein as are not inconsistent with the Bond Legislation.

Section 14. Purchaser Not Responsible for Application of Funds. The Purchaser of the Bonds shall in no manner be responsible for the application or disposal by the Village or by its officers of the funds derived from the sale thereof or of any other funds herein designated.

Section 15. Disposition of Proceeds, Completion of Refunding Project. Except as otherwise specifically provided herein, and subject to confirmation of the refunding of the 1993

Bonds and/or the 1995 Bonds in the Sale Resolution, the proceeds derived from the sale of the Bonds and from moneys released from the 1993 Debt Service Fund and the 1995 Debt Service Fund shall be used and paid solely for the valid costs of the Refunding Project.

A. Accrued Interest and Premium. Upon the sale and delivery of the Bonds, all moneys received as accrued interest and any premium therefor shall be deposited into the Debt Service Fund, to apply on the payment of interest next due on the Bonds.

B. Reserve Fund. Unless otherwise provided in the Sale Resolution, upon the sale and delivery of the Bonds, an amount equal to the Reserve Requirement shall be deposited in the Reserve Fund, to be held and used as provided in Section 17 of this Ordinance. The Reserve Requirement may be funded in whole or in part by a surety bond as provided in the Sale Resolution or a subsequent resolution of the Board, and may be funded on a contingency basis, as provided in the Sale Resolution.

C. Refunding Project. Upon the sale and delivery of the Bonds, (i) an amount specified in the Sale Resolution, together with the balance in the 1993 Debt Service Fund, shall be deposited with the Escrow Agent for the purpose of fully funding the 1993 Escrow Fund, and (ii) an amount specified in the Sale Resolution, together with the balance in the 1995 Debt Service Fund, shall be deposited with the Escrow Agent for the purpose of fully funding the 1995 Escrow Fund; provided, however, that the Sale Resolution may provide that some or all of the monies in the 1993 Debt Service Fund and the 1995 Debt Service Fund may be transferred to the Debt Service Fund; and further provided that the provisions of this Subsection C are subject to approval of the refunding of the 1993 Bonds and/or the 1995 Bonds in the Sale Resolution.

D. Expenses. Upon the sale and delivery of the Bonds, an amount necessary to pay Expenses shall be used by the Village for payment of the Expenses in compliance with applicable law.

E. Excess Moneys. Any proceeds derived from the sale of the Bonds remaining after the deposits or expenditures specified above in this Section shall be deposited promptly in the Debt Service Fund and applied as provided in Section 17 hereof.

Section 16. Funds and Accounts. The Village hereby creates or continues the following special and separate funds or accounts, which shall be under the control of the Village:

A. Income Fund. The "Village of Los Lunas Gross Receipts Tax Income Fund", which was continued under Section 16 of the 1993 Ordinance, is continued, and shall continue to be maintained by the Village.

B. Debt Service Fund. There is hereby created the "Village of Los Lunas Gross Receipts Tax Refunding Revenue Bonds, Series 2003, Debt Service Fund", which, unless provided differently in the Sale Resolution, shall be maintained by the Paying Agent.

C. Reserve Fund. There is hereby created the "Village of Los Lunas Gross Receipts Tax Refunding Revenue Bonds, Series 2003, Reserve Fund", which, unless provided otherwise in the Sale Resolution, shall be maintained by the Paying Agent.

Section 17. Deposit of Pledged Revenues; Flow of Funds.

A. Deposit of Revenues. All amounts of the Pledged Revenues collected by the Village each month shall be deposited into the Income Fund and thereafter credited and transferred as hereinafter provided in this Section 17.

B. Debt Service Fund. From moneys in the Income Fund there shall be transferred to the Debt Service Fund the following:

(1) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount, in equal monthly installments, which is necessary to pay the first maturing installment of interest on the Bonds, and monthly thereafter, commencing in the month of the first Interest Payment Date, one-sixth of the amount necessary to pay the next maturing installment of interest on the outstanding Bonds.

(2) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount, in equal monthly installments, which is necessary to pay the first maturing principal amount of the Bonds, and monthly thereafter commencing in the month of the first principal payment date, one-twelfth of the amount which is necessary to pay the next maturing principal amount or mandatory sinking fund requirement of the Bonds.

C. Credit. In making the deposits required to be made into the Debt Service Fund, if there are any amounts then on deposit in the Debt Service Fund available for the purpose for which such deposit is to be made, the amount of the deposit to be made pursuant to Subsection B above shall be reduced by the amount available in such fund and available for such purpose.

D. Transfer of Money out of Debt Service Fund. Each payment of principal and interest becoming due on the Bonds shall be transferred from the Debt Service Fund to the Paying Agent on or before the due date of such payment.

E. Payment of Additional Parity Obligations. Concurrently with the payments of the Pledged Revenues required by Subsection B of this Section, amounts on deposit in the Income Fund shall be used by the Village for the payment of principal of and interest on the Series 2003 Improvement Bonds and other Parity Obligations, if any, hereafter authorized to be issued and payable from the Pledged Revenues as the same accrue and for any reserve fund deposit requirements related thereto.

F. Reserve Fund. Upon issuance of the Bonds, an amount of proceeds of the Bonds equal to the Reserve Requirement shall be deposited into the Reserve Fund; provided, however, that if pursuant to the provisions of the Sale Resolution the Reserve Requirement at the

time of the issuance of the Bonds is zero, then no monies shall be deposited in the Reserve Fund at that time. The Reserve Requirement may be funded at any time in whole or in part by a Surety Bond, the premium of which may be paid by Bond proceeds at the time of issuance of the Bonds or other available monies at any time. No payment need be made into the Reserve Fund so long as the moneys therein shall equal not less than the Reserve Requirement. The moneys in the Reserve Fund shall be accumulated and maintained as a continuing reserve to be used, except as hereinafter provided in Subsections G and J of this Section, only to prevent deficiencies in the payment of the principal of and interest on the Bonds resulting from the failure to deposit into the Debt Service Fund sufficient funds to pay the principal and interest as the same accrue.

G. Defraying Delinquencies in the Debt Service Fund and Reserve Fund.

(1) Subject to Paragraph G(2) below, if, in any month, the Village shall, for any reason, fail to pay into the Debt Service Fund the full amount stipulated under Subsection B above, then additional amounts shall be paid into the Debt Service Fund from the Income Fund, in the immediately succeeding month or months in which amounts are available in the Income Fund in addition to the amounts required to be transferred pursuant to Subsection B hereof for the current month until such deficiency shall be cured.

(2) If, on any Interest Payment Date or principal payment date, a deficiency exists in the Debt Service Fund, and the Reserve Requirement on such Interest Payment Date is greater than zero, then an amount shall be paid into the Debt Service Fund in such month from the Reserve Fund equal to the difference between that paid from the Income Fund and the full amount so stipulated. The money so used shall be replaced in the Reserve Fund from the first Pledged Revenues thereafter received and not required to be otherwise applied. If, in any month, the Village shall, for any reason, fail to pay into the Reserve Fund the full amount required, the difference between the amount paid and the amount so stipulated shall in a like manner be paid therein from the first Pledged Revenues thereafter received and not required to be otherwise applied. The moneys in the Reserve Fund shall be used solely and only for the purpose of paying the principal of and the interest on the Bonds; provided, however, that any moneys at any time in excess of the Reserve Requirement in the Reserve Fund may be withdrawn therefrom and used as provided in this Section. Cash accumulated in the Reserve Fund shall not be invested in a manner which could cause the Bonds to become arbitrage bonds within the meaning of the Code.

H. Payment of Subordinate Obligations. From any balance remaining in the Income Fund after making the payments hereinabove required, there shall be paid the interest on and the principal of additional bonds or other obligations, if any, hereafter authorized to be issued and payable from the Pledged Revenues, including reasonable reserves therefor, as the same accrue, with a lien on the Pledged Revenues subordinate to the lien and pledge of the Bonds as the same become due and payable.

I. Termination Upon Deposits to Maturity. No payment shall be made into the Debt Service Fund and Reserve Fund if the amounts in such funds total a sum at least equal to the entire aggregate amount due as to principal, premium, if any, and interest, on the Bonds to their respective maturities, in which case moneys in the Debt Service Fund and the Reserve Fund

in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same accrue, and any moneys in excess thereof in the Debt Service Fund and Reserve Fund may be used as provided below.

J. Use of Surplus Revenues. After making all the payments hereinabove required to be made by this Section and by Section 22 in a given month, any moneys in the Income Fund may be applied to any other lawful purpose or purposes authorized by the Village and the Act. After making all the payments hereinabove required to be made by the Section, any moneys remaining in the Income Fund, the Debt Service Fund and the Reserve Fund may be applied to any other lawful purpose or purposes authorized by the Village and the Act.

Section 18. General Administration of Funds. The funds designated in Sections 16 and 17 shall be administered and invested as follows:

A. Places and Times of Deposits. The funds shall be separately maintained as a trust fund or funds for the purposes established and shall be deposited in one or more bank accounts in an Insured Bank or Banks. Each account shall be continuously secured to the extent required by law and shall be irrevocable and not withdrawable by anyone for any purpose other than the designated purpose. Payments shall be made into the proper account on or before the first day of the month except when the first day is not be a Business Day, in which case payment shall be made no later than the next succeeding Business Day; provided that Pledged Revenues shall be paid into the Income Fund immediately upon receipt. No later than each interest and/or principal payment date, moneys sufficient to pay interest and principal then due on the Bonds shall be transferred to the Paying Agent. Nothing in this Bond Ordinance shall prevent the Village from establishing one or more bank accounts in an Insured Bank or Banks for all the funds required by this Bond Ordinance or shall prevent the combination of such funds and accounts with any other bank account or accounts for other funds and accounts of the Village.

B. Investment of Moneys. Moneys in any fund or account not immediately needed maybe invested in Permitted Investments. The obligations so purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, and any loss resulting from such investment shall be charged to such fund or account. The Village Administrator shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund or account whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund.

Section 19. Lien on Pledged Revenues. The Pledged Revenues and the amounts and securities on deposit in the Debt Service Fund and the Reserve Fund, and the proceeds thereof, are hereby authorized to be pledged to, and are hereby pledged, and the Village grants a security interest therein, for the payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, this Ordinance. The Bonds constitute an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein.

The Series 2003 Improvement Bonds shall be issued with a lien on the Pledged Revenues equal to the lien of the Bonds.

Section 20. Bonds or Other Obligations Payable From Pledged Revenues.

A. Limitations Upon issuance of Parity Obligations. No provision of this Ordinance shall be construed in such a manner as to prevent the issuance by the Village of additional Parity Obligations, nor to prevent the issuance of bonds or other obligations refunding all or apart of the Bonds; provided, however, that before any such additional Parity Obligations are actually issued (excluding the Series 2003 Improvement Bonds and refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund subordinate obligations as provided in Section 21 hereof), it must be determined that:

(1) The Village is then current in all of the accumulations required to be made into the Debt Service Fund and the Reserve Fund as provided in Section 17 of this Ordinance; and

(2) No default shall exist in connection with any of the covenants or requirements of this Ordinance; and

(3) The Pledged Revenues received by the Village for the preceding audited Fiscal Year or, alternatively, for the twelve consecutive months for which Pledged Revenues have been received immediately preceding the date of adoption of the ordinance authorizing the issuance of such additional Parity Obligations, as certified by the Village, shall have been sufficient to pay an amount representing 150% of the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding any reserves therefor). In making the computations required by this paragraph to determine if Parity Obligations may be issued, Parity Obligations which bear a fluctuating interest rate shall be deemed to bear interest at the maximum rate of interest on the applicable bonds or other obligations permitted by the ordinance authorizing the issuance of the bonds.

B. Subordinate Obligations Permitted. No provision of this Ordinance shall be construed in such a manner as to prevent the issuance by the Village of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of the Bonds, nor to prevent the issuance of bonds or other obligations refunding all or part of the Bonds herein authorized as permitted by Section 21 hereof.

C. Superior Obligations Prohibited. The Village shall not issue bonds payable from the Pledged Revenues having a lien thereon prior and superior to the Bonds.

Section 21. Bonds Payable from Pledged Revenues. The provisions of Section 20 hereof are subject to the following exceptions:

A. Privilege of Issuing Refunding Obligations. If at anytime after the Bonds, or any part thereof, shall have been issued and remain outstanding, the Village shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Pledged Revenues, such bonds or other obligations, or any part thereof, may be refunded (but the holders of bonds to be refunded may not be compelled to surrender their bonds, unless the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption, regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed), except as provided in Subsection 20(D) hereof and in Subsections B, C and D of this Section.

B. Limitations Upon Issuance of Parity Refunding Obligations. No refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a parity with the Bonds herein authorized, unless:

(1) The outstanding obligations so refunded are Parity Obligations and the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations; or

(2) The refunding bonds or other refunding obligations are issued in compliance with Subsection A of Section 20 hereof.

C. Refunding Part of an Issue. The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of the bonds or other obligations of the same issue refunded thereby. If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the holder or holders of the unrefunded portion of such obligations, unless:

(1) The refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations and by the outstanding obligations not refunded on and prior to the last maturity date of such unrefunded obligations; or

(2) The refunding bonds or other refunding obligations are issued in compliance with Subsection A of Section 20 hereof; or

(3) The lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

D. Limitations Upon Issuance of Refunding Obligations. Any refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such details as the Village may provide by ordinance, but without any impairment of any contractual obligations imposed upon the Village by any proceedings authorizing the issuance of

any unrefunded portion of such outstanding obligations of any one or more issues (including, but not necessarily limited to, the Bonds).

Section 22. Escrow Funds.

A. 1993 Escrow Fund. There is hereby created the "Village of Los Lunas Gross Receipts Tax Refunding Revenue Bonds, Series 1993, Escrow Fund", which shall be held and maintained by the Escrow Agent as provided in this Subsection A and as provided in the Escrow Agreement.

1. Maintenance of 1993 Escrow Fund. The 1993 Escrow Fund shall be maintained on behalf of the Village by and in the Escrow Agent in an amount at the time of the deposit sufficient, together with the known minimum yield to be derived from the investment of the deposits therein or any part thereof in direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America, to pay the 1993 Refunded Bond Requirements as the same become due, all as provided in the Escrow Agreement.

2. Use of 1993 Escrow Fund. Moneys shall be withdrawn by the Escrow Agent from the 1993 Escrow Fund in sufficient amounts to pay the 1993 Refunded Bond Requirements on the first-occurring optional redemption date of the 1993 Bonds on July 1, 2003, as further provided in the Escrow Agreement. Any moneys remaining in the 1993 Escrow Fund after payment in full of all of the 1993 Bonds shall, subject to the provisions of Subsection 25(J) hereof, be paid to the Village to be applied to any lawful purposes as the Village shall hereafter determine.

3. Insufficiency of 1993 Escrow Fund. If for any reason the amount in the 1993 Escrow Fund shall at any time be insufficient for the purpose of Subsection A(2) of this Section 22, the Village shall, from the first legally available surplus Pledged Revenues as described in Subsection J of Section 17 hereof, forthwith deposit in the 1993 Escrow Fund such additional moneys as shall be necessary to permit the payment in full of the 1993 Refunded Bond Requirements as provided herein.

B. 1995 Escrow Fund. There is hereby created the "Village of Los Lunas Infrastructure Fund Gross Receipts Tax Revenue Bonds, Series 1995, Escrow Fund", which shall be held and maintained by the Escrow Agent as provided in this Subsection B and as provided in the Escrow Agreement.

1. Maintenance of 1995 Escrow Fund. The 1995 Escrow Fund shall be maintained on behalf of the Village by and in the Escrow Agent in an amount at the time of the deposit sufficient, together with the known minimum yield to be derived from the investment of the deposits therein or any part thereof in direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America, to pay the 1995 Refunded Bond Requirements as the same become due, all as provided in the Escrow Agreement.

2. Use of 1995 Escrow Fund. Moneys shall be withdrawn by the Escrow Agent from the 1995 Escrow Fund in sufficient amounts to pay the 1995 Refunded Bond Requirements until and on the first-occurring optional redemption date of the 1995 Bonds on July 1, 2005, as further provided in the Escrow Agreement. Any moneys remaining in the 1995 Escrow Fund after payment in full of all of the 1995 Bonds shall, subject to the provisions of Subsection 25(J) hereof, be paid to the Village to be applied to any lawful purposes as the Village shall hereafter determine.

3. Insufficiency of 1995 Escrow Fund. If for any reason the amount in the 1995 Escrow Fund shall at any time be insufficient for the purpose of Subsection B(2) of this Section 22, the Village shall, from the first legally available surplus Pledged Revenues as described in Subsection J of Section 17 hereof, forthwith deposit in the 1995 Escrow Fund such additional moneys as shall be necessary to permit the payment in full of the 1995 Refunded Bond Requirements as provided herein.

C. Contingency. The provisions of this Section 22 are specifically subject to the further approval of the refunding of 1993 Bonds and the 1995 Bonds in the Sale Resolution, and the provisions of Section 41 hereof.

Section 23. Sale Resolution. The provisions of this Ordinance shall be supplemented by the provisions of the Sale Resolution, which provisions shall not be inconsistent with the provisions of this Ordinance; provided, however, that if payment of principal and interest of the Bonds is guaranteed by a Bond Insurance Policy, then the Sale Resolution may include such terms and conditions as are generally included in documents authorizing the issuance of insured bonds, and so long as the Bond Insurance Policy remains in full force and effect, such provisions shall be valid and enforceable notwithstanding any inconsistency with the provisions hereof.

Section 24. Equality of the Bonds. The Bonds outstanding from time to time shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of their issuance or the date incurred, it being the intention of the Board that, except as set forth herein, there shall be no priority among the Bonds regardless of whether they are actually issued and delivered or incurred at different times.

Section 25. Protective Covenants. The Village hereby covenants and agrees with each and every holder of the Bonds issued hereunder:

A. Use of Bond Proceeds. The Village will proceed without delay to apply the proceeds of the Bonds to pay costs of the Refunding Project.

B. Payment of Bonds Herein Authorized. The Village will promptly pay the principal of and the interest on every Bond at the place, on the date and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

C. Village's Existence. The Village will maintain its corporate identity and existence so long as any of the Bonds remain outstanding, unless another political subdivision by

operation of law succeeds to the liabilities and rights of the Village, without adversely affecting to any substantial degree the privileges and rights of any owner of the Bonds.

D. Prohibition of any Extension of Interest Payments. In order to prevent any accumulation of claims for interest after maturity, the Village will not directly or indirectly extend or assent to the extension of time for the payment of any claim for interest on any of the Bonds, and the Village will not directly or indirectly be a party to or approve any arrangements for any such extension. If the time for payment of any such interest shall be extended, such installment or installments of interest, after such extension or arrangement, shall not be entitled in case of default hereunder to the benefit or security hereof, except subject to the prior payment in full of the principal of all Bonds hereunder and then outstanding and of the matured interest on such Bonds, the payment of which has not been extended.

E. Records for Pledged Revenues. So long as any of the Bonds remain outstanding, proper books of record and account will be kept by the Village, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues.

F. Audits. The Village will, within 180 days following the close of each Fiscal Year, cause an audit of its books and accounts relating to the Pledged Revenues to be commenced by an Independent Accountant showing the receipts and disbursements in connection with such revenues. The Village agrees to furnish forthwith a copy of each of such audits and reports to the Purchaser and the holder of any of the Bonds at his written request.

G. Other Liens on Pledged Revenues. Other than the 1993 Bonds and the Series 2003 Improvement Bonds, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

H. Duty to Impose Gross Receipts Tax. If State law or any Village ordinance or part thereof, which in any manner affects the Pledged Revenues, shall ever be held to be invalid or unenforceable, it shall be the duty of the Village to immediately take any action necessary to produce sufficient Pledged Revenues to comply with the contracted obligations of this Ordinance, except as is provided in Subsection I of this Section.

I. Impairment of Contract. The Village agrees that any law, ordinance or resolution of the Village that in any manner affects the Pledged Revenues, including, without limitation, the Tax Ordinances, or the Bonds shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely any outstanding Bonds, unless such Bonds have been discharged in full or provision has been fully made therefor or unless the required consents of the holders of the then outstanding Bonds are obtained pursuant to Section 31 of this Ordinance.

J. Tax Covenants. The Village covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. The Mayor and other officers of the Village having responsibility for the issuance of the Bonds shall give an

appropriate certificate of the Village, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Village regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The Village covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions that would adversely affect that exclusion, and that it or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) if required, make timely rebate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Mayor and other appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, if any, as may be required or appropriate to assure such exclusion of that interest.

K. Performing Duties. The Village will faithfully and punctually perform all duties with respect to the Bonds required by the Constitution and laws of the State of New Mexico and the ordinance and resolution of the Village relating to the Bonds.

L. Continuing Disclosure Obligations. The officers of the Village are authorized to sign such documents and to take such actions in the future with respect to the Village's continuing disclosure obligations as are necessary or desirable to comply with the Continuing Disclosure Undertaking and the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Board under the Securities Exchange Act of 1934, as amended. Notwithstanding any other provisions of this Ordinance, failure of the Village to comply with the Continuing Disclosure Undertaking shall not be considered an "event of default" under Section 27 hereof, and holders and beneficial owners of Bonds shall be entitled to exercise only such rights with respect thereto as are provided in the Continuing Disclosure Undertaking.

Section 26. [Reserved].

Section 27. Events of Default. Each of the following events is hereby declared an "event of default":

A. Nonpayment of Principal. Failure to pay the principal of any of the Bonds when the same becomes due and payable, either at maturity or otherwise.

B. Nonpayment of Interest. Failure to pay any installment of interest on any of the Bonds when the same becomes due and payable.

C. Incapable to Perform. The Village shall for any reason be rendered incapable of fulfilling its obligations hereunder.

D. Default of any Provision. Default by the Village in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bonds or in this Ordinance on its part to be performed, and the continuance of such default (other than a default set forth in Subsections A and B of this Section) for 30 days after written notice specifying such default and requiring the same to be remedied has been given to the Village by the holders of 25% in aggregate principal amount of the Bonds then outstanding.

E. Bankruptcy. The Village (i) files a petition or application seeking reorganization, arrangement under federal bankruptcy law, or other debtor relief under the laws of any jurisdiction, or (ii) is the subject of such petition or application that the Village does not contest or is not dismissed or discharged within 60 days.

Section 28. Remedies Upon Default. Upon the happening and continuance of any of the events of default as provided in Section 27 of this Ordinance, then in every case the holder or holders of not less than 25% in aggregate principal amount of the Bonds then outstanding affected by the event of default, including, but not limited to, a trustee or trustees therefor, may proceed against the Village, the Board and its agents, officers and employees to protect and enforce the rights of any holder of Bonds under this Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award relating to the execution of any power herein granted for the enforcement of any legal or equitable remedy as such holder or holders may deem most effectual to protect and enforce the rights provided above, or to enjoin any act or thing which may be unlawful or in violation of any right of any Bondholder, or to require the Board to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all holders of the Bonds then outstanding. The failure of any Bondholder so to proceed shall not relieve the Village or any of its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege of such holder (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed a waiver of any other right or privilege.

Section 29. Duties Upon Default. Upon the happening of any of the events of default provided in Section 27 of this Ordinance, the Village will do and perform all proper acts on behalf of and for the owners of the Bonds to protect and preserve the security created in the Pledged Revenues for the payment of the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived from the Pledged Revenues, so long as any of the Bonds, either as to principal or interest, are outstanding and unpaid, shall be applied as set forth in Section 17 of this Ordinance. In the event the Village fails or refuses to proceed as provided in this Section, the holder or holders of not less than 25% in aggregate principal amount of the Bonds then outstanding, after demand in writing, may proceed to protect and enforce the rights of the owners of the Bonds as hereinabove provided.

Section 30. Bonds Not Presented When Due. If any Bonds shall not be duly presented for payment when due at maturity, and if moneys sufficient to pay such Bonds are on deposit with the Paying Agent for the benefit of the owners of such Bonds, all liability of the Village to

such owners for the payments of such Bonds shall be completely discharged, such Bonds shall be deemed to be not outstanding, and it shall be the duty of the Paying Agent to segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of the owners of such Bonds as may be provided in any agreement hereafter entered into between the Paying Agent and an officer of the Village.

Section 31. Amendment of Bond Ordinance. The Bond Ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained herein, or to comply with the provisions of the Code, or to comply with any rule or regulation of the Securities and Exchange Board relating to the Bonds. Prior to the date of the initial delivery of the Bonds to the Purchaser, the provisions of this Ordinance may be supplemented by resolution of the Board with respect to any changes that are not inconsistent with the substantive provisions of this Ordinance and with the written consent of the Purchaser. Except as provided above, this Ordinance may be amended without receipt by the Village of any additional consideration, but with the written consent of the holders of not less than 75% in aggregate principal amount of the Bonds then outstanding (not including Bonds that may be held for the account of the Village); but no ordinance adopted without the written consent of the holders of all outstanding Bonds shall have the effect of permitting:

- A. An extension of the maturity date of any Bond; or
- B. A reduction of the principal amount of or interest rate or prior redemption premium on any Bond; or
- C. The creation of a lien upon the Pledged Revenues ranking prior to the lien or pledge created by this Ordinance; or
- D. A reduction of the principal amount of Bonds required for consent to such amendatory ordinance; or
- E. The establishment of priorities as between Bonds issued and outstanding under the provisions of this Ordinance; or
- F. The modification of or otherwise affecting the rights of the holders of less than all the outstanding Bonds.

Section 32. Defeasance. When all principal and interest and prior redemption premium, if any, in connection with the Bonds hereby authorized have been duly paid, the pledge and lien for the payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of this Ordinance. Payment shall be deemed made with respect to any Bond or Bonds when the Board has placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from federal securities) to meet all requirements of principal and interest and prior redemption premium, if any, as the same become due to their final maturities or redemption dates. Any federal securities shall become due when needed in accordance with a schedule

agreed upon between the Board and such bank at the time of the creation of the escrow. Federal securities within the meaning of this Section shall include only direct obligations of, or obligations the principal of and interest of which are unconditionally guaranteed by the United States of America.

Section 33. Approval of Documents and Delegated Powers. The form, terms and provisions of the Bond Purchase Agreement, the Paying Agent Agreement, the Escrow Agreement, the Continuing Disclosure Undertaking, the Preliminary Official Statement and the Official Statement shall be approved, authorized and confirmed in the Sale Resolution, and the Village shall enter into the Village Documents in substantially the forms presented at the meeting at which the Sale Resolution is adopted. The officers of the Village are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Bond Legislation, including, without limiting the generality of the foregoing, the publication of the summary of publication set out in Section 40 of this Ordinance (with such changes, additions and deletions as they may determine), the distribution of material relating to the Bonds, any printing of the Bonds, the printing, execution and distribution of the Preliminary Official Statement and the Official Statement, and the execution of the Bond Purchase Agreement and the Continuing Disclosure Undertaking and of such certificates as may be required by the Purchaser or bond counsel. The use and distribution of the Preliminary Official Statement and the Official Statement (as further approved in the Sale Resolution) in connection with the sale of the Bonds to the public is hereby ratified, authorized, approved and acknowledged.

Section 34. Limitation of Action Period. Pursuant to the Public Securities Limitation of Action Act, Sections 6-14-4 to 6-14-7 NMSA 1978, after the passage of thirty days from the publication required by Section 40 hereof, any action attacking the validity of any proceedings had or taken by the Village preliminary to and in the authorization and issuance of the Bonds shall be perpetually barred.

Section 35. Bond Legislation Irrepealable. After any of the Bonds are issued, this Ordinance and the Sale Resolution shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance as herein provided.

Section 36. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 37. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 38. Effective Date. Upon due adoption of this Bond Ordinance, it shall be recorded in the book of ordinances of the Village kept for that purpose, authenticated by the signatures of the Mayor and Village Administrator, and the title and general summary of the

subject matter contained in this Ordinance (set out in Section 40 below) shall be published in a newspaper which maintains an office and is of general circulation in the Village, or posted in accordance with law, and this Ordinance shall be in full force and effect five days after that publication or posting.

Section 39. Notices of Prior Redemption.

A. 1993 Bonds. The Village has elected and does hereby declare its intent to exercise on behalf of and in the name of the Village its option to prior redeem, on July 1, 2003, all of the outstanding 1993 Bonds maturing on and after July 1, 2004, at a redemption price equal to the principal amount of the 1993 Bonds to be redeemed, plus accrued interest to July 1, 2003. The Village is hereby obligated so to exercise such option, which option shall be deemed to have been exercised upon delivery of the Bonds. Promptly upon issuance of the Bonds, the Village shall deliver to the 1993 Paying Agent a notice of prior redemption and defeasance of the 1993 Bonds. No than 30 days prior to the first-occurring optional redemption date of the 1993 Bonds on July 1, 2003, the 1993 Paying Agent shall mail such notice by first-class mail to each registered owner of the 1993 Bonds. Such notice may be in substantially the form attached as an exhibit to the Sale Resolution.

B. 1995 Bonds. The Village has elected and does hereby declare its intent to exercise on behalf of and in the name of the Village its option to prior redeem on July 1, 2005, all of the outstanding 1995 Bonds maturing on and after July 1, 2006, at a redemption price equal to 101% of the principal amount of the 1995 Bonds to be redeemed, plus accrued interest to July 1, 2005. The Village is hereby obligated so to exercise such option, which option shall be deemed to have been exercised upon delivery of the Bonds. Promptly upon issuance of the Bonds, the Village shall deliver to the Escrow Agent, as the paying agent and registrar for the 1995 Bonds as designated in the Escrow Agreement, a notice of prior redemption and defeasance of the 1995 Bonds. No earlier than 60 days and no later than 30 days prior to the first-occurring redemption date of the 1995 Bonds on July 1, 2005, the Escrow Agent shall mail such notice by first-class mail to each registered owner of the ~~Refunded~~ 1995 Bonds. Such notice may be in substantially the form attached as an exhibit to the Sale Resolution.

C. Contingency. The provisions of this Section 39 are specifically subject to the further approval of the refunding of the 1993 Bonds and/or the 1995 Bonds in the Sale Resolution, and the provisions of Section 41 hereof.

Section 40. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

~~[Remainder of page intentionally left blank]~~ Start of Form of Summary for Publication]

Village of Los Lunas, New Mexico
Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in Village Ordinance No. 298, duly adopted and approved by the Board of the Village of Los Lunas, New Mexico, on January 30, 2003, relating to the authorization and issuance of the Village's Gross Receipts Tax Refunding Revenue Bonds, Series 2003. Complete copies of the ordinance are available for public inspection during the normal and regular business hours of the Village Administrator, 660 Main Street NW, Los Lunas, New Mexico.

The title of the Ordinance is:

AUTHORIZING THE ISSUANCE AND SALE OF THE VILLAGE OF LOS LUNAS, NEW MEXICO GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 2003, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ~~\$5,000,000~~ \$5,500,000 FOR THE PURPOSE OF REFUNDING AND PAYING (1) THE VILLAGE OF LOS LUNAS, NEW MEXICO GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 1993; ~~AND~~ AND/OR (2) THE VILLAGE OF LOS LUNAS, NEW MEXICO INFRASTRUCTURE FUND GROSS RECEIPTS TAX REVENUE BONDS, SERIES 1995; PROVIDING FOR THE ISSUANCE AND SALE OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS SOLELY FROM GROSS RECEIPTS TAX REVENUES RECEIVED BY THE VILLAGE FROM THE STATE OF NEW MEXICO AND FROM A PORTION OF THE MUNICIPAL GROSS RECEIPTS TAX REVENUES IMPOSED BY THE VILLAGE; PROVIDING FOR THE PAYMENT OF THE BONDS ON A PARITY WITH THE VILLAGE'S GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2003; PROVIDING FOR THE FORM, TERMS, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS AND THE FUNDS APPERTAINING THERETO; PROVIDING FOR THE APPROVAL, EXECUTION AND DELIVERY OF COVENANTS AND AGREEMENTS IN CONNECTION WITH THE BONDS INCLUDING, BUT NOT LIMITED TO, A BOND PURCHASE AGREEMENT AND AN ESCROW AGREEMENT, AND AUTHORIZING THE DETERMINATION OF INTEREST RATES, REDEMPTION PROVISIONS AND OTHER DETAILS OF THE BONDS (INCLUDING TERMS OF BOND INSURANCE, IF ANY) ALL PURSUANT TO A SUBSEQUENT SALE RESOLUTION; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

The title sets forth a general summary of the subject matter contained in the Ordinance.

This notice constitutes compliance with Section 6-14-6, NMSA 1978.

[End of Form of Summary for Publication]

Section 41. Contingency for Non-refunding of the 1993 Bonds or the 1995 Bonds. The Board recognizes that an unusual increase in market interest rates between the time of the adoption of this Ordinance and the consideration of the Sale Resolution, whether as a result of international events or otherwise, could result in the refunding of the 1993 Bonds or the 1995 Bonds becoming uneconomic or otherwise not beneficial to the Village.

A. In the event that the Board determines in the Sale Resolution not to refund the 1993 Bonds, but to refund the 1995 Bonds, then, notwithstanding any provision of this

Ordinance to the contrary, this Ordinance shall be deemed to be amended in the following respects:

1. The 1993 Bonds shall continue to be outstanding and in full force and effect pursuant to the terms of the 1993 Ordinance;

2. The 1993 Ordinance, including the funds and accounts established pursuant to the 1993 Ordinance, shall remain in full force and effect;

3. The monies in the 1993 Debt Service Fund shall not be transferred to the Debt Service Fund or to any escrow fund, but shall remain in the 1993 Debt Service Fund and be applied as provided in the 1993 Ordinance;

4. The Bonds shall be issued on a parity with, or subordinate to, the 1993 Bonds, all as provided in the Sale Resolution and consistent with the requirements of the 1993 Ordinance;

5. The term “Refunded Bonds” and “Refunded Bond Requirements”, as used in this Ordinance, shall refer solely to the 1995 Bonds and the 1995 Refunded Bond Requirements, respectively;

6. To the extent that they pertain to the refunding of the 1993 Bonds, the provisions of this Ordinance, including provisions pertaining to the creation and maintenance of the 1993 Escrow Fund, shall be deemed repealed and null and void; and

7. Any other provisions of this Ordinance that are necessarily inconsistent with the 1993 Bonds remaining outstanding or with the pledge of the Pledged Revenues (as such term is defined in the 1993 Ordinance) to the payment of the 1993 Bonds pursuant to the 1993 Ordinance, shall be deemed repealed and null and void.

B. In the event that the Board determines in the Sale Resolution not to refund the 1995 Bonds, but to refund the 1993 Bonds, then, notwithstanding any provision of this Ordinance to the contrary, this Ordinance shall be deemed to be amended in the following respects:

1. The 1995 Bonds shall continue to be outstanding and in full force and effect pursuant to the terms of the 1995 Ordinance;

2. The 1995 Ordinance, including the funds and accounts established pursuant to the 1995 Ordinance, shall remain in full force and effect;

3. The monies in the 1995 Debt Service Fund shall not be transferred to the Debt Service Fund or to any escrow fund, but shall remain in the 1995 Debt Service Fund and be applied as provided in the 1995 Ordinance;

4. The term “Refunded Bonds” and “Refunded Bond Requirements”, as used in this Ordinance, shall refer solely to the 1993 Bonds and the 1993 Refunded Bond Requirements, respectively;

5. To the extent that they pertain to the refunding of the 1995 Bonds, the provisions of this Ordinance, including provisions pertaining to the creation and maintenance of the 1995 Escrow Fund, shall be deemed repealed and null and void; and

6. Any other provisions of this Ordinance that are necessarily inconsistent with the 1995 Bonds remaining outstanding or with the pledge of the Pledged Revenues (as such term is defined in the 1995 Ordinance) to the payment of the 1995 Bonds pursuant to the 1995 Ordinance, shall be deemed repealed and null and void.

PASSED, APPROVED AND ADOPTED THIS 30th DAY OF JANUARY, 2003.

VILLAGE OF LOS LUNAS, NEW MEXICO

[SEAL]

By _____
Mayor

ATTEST:

By _____
Village Administrator

Trustee _____ then moved adoption of the foregoing ordinance, duly seconded by Trustee _____.

The motion to adopt said ordinance, as amended, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye:

Those Voting Nay:

Those Absent:

At least three-quarters of all Trustees having voted in favor of said motion, the Mayor declared said motion carried and said ordinance adopted, whereupon the Mayor and Village Administrator signed the ordinance upon the records of the minutes of the Board.

After consideration of the matters not relating to the ordinance, the meeting on motion duly made, seconded and unanimously carried, was adjourned.

VILLAGE OF LOS LUNAS, NEW MEXICO

[SEAL]

By _____
Mayor

ATTEST:

By _____
Village Administrator

STATE OF NEW MEXICO)
COUNTY OF VALENCIA) ss.
VILLAGE OF LOS LUNAS)

I, Phillip Jaramillo, the duly elected, qualified, and acting Village Administrator of the Village of Los Lunas, New Mexico (the “Village”), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Trustees of the Village of Los Lunas, New Mexico (the “Village”), constituting the governing body of the Village, had and taken at a duly called regular, open meeting held in Village Hall, 660 Main Street NW, Los Lunas, New Mexico, being the regular meeting place of the Board, on the 30th day of January, 2003, at the hour of 6:00 p.m., insofar as the same relate to the bond issue, a copy of which is set forth in the official records of the proceedings of the Village kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein shown.

3. Notice of said meeting was given to the public news media at least six days prior to the meeting, and by posting the agenda of the meeting in the office of the Village Administrator and on the public notice bulletin board within the Village Hall. Such notice constitutes compliance with one of the permitted methods of giving notice of meetings of the Board as required by the open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of January, 2003.

VILLAGE OF LOS LUNAS, NEW MEXICO

[SEAL]

By _____
Village Administrator

----- COMPARISON OF HEADERS -----

-HEADER 1-

TABLE OF CONTENTS
Page

-HEADER 2-
Header Discontinued

-HEADER 3-

Header Discontinued

----- COMPARISON OF FOOTERS -----

-FOOTER 1-
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-FOOTER 2-
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and revised document: I:\ah\13541\42667\bond ordinance v4.doc

CompareRite found 32 change(s) in the text
CompareRite found 1 change(s) in the notes

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